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**FISCAL IMPACT STATEMENT**

**LS 6392**

**BILL NUMBER:** HB 1474

**NOTE PREPARED:** Jan 12, 2013

**BILL AMENDED:**

**SUBJECT:** Dual Credit Courses.

**FIRST AUTHOR:** Rep. Culver

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill provides that:

1. After June 30, 2016, and before July 1, 2018, each high school is required to provide a number of dual credit courses and advanced placement courses sufficient to enable a student who qualifies to enroll in the courses to complete at least one year of college credit; and
2. After June 30, 2018, each high school is required to provide a number of dual credit courses and advanced placement courses sufficient to enable a student who qualifies to enroll in the courses to complete at least two years of college credit.

The bill provides that a state educational institution may charge a high school student tuition for a dual credit or postsecondary credit course only if the course is taught by an employee of the state educational institution.

**Effective Date:** July 1, 2013.

**Explanation of State Expenditures:** State educational institutions could incur additional expenses depending on the services provided to local schools and the tuition the state educational institution might be allowed to charge. There are about 366 public high schools in Indiana. At a minimum about 10,980 credit hours of dual credit courses, about 3,660 courses, would have to be offered after June 30, 2016, and 21,960 credit hours, or 7,320 courses, after June 30, 2018.

*Background:* According to the Department of Education, there were 7,712 dual credit classes and 20,282 advanced placement courses offered last year. Approximately 46,651 students took dual credit classes and 33,992 students took advance placement classes. There were 232 high schools that offered two advanced

placement courses and two dual credit courses.

**Explanation of State Revenues:** The provision that allows a state educational institution to charge a high school student tuition for a dual credit or postsecondary credit course only if the course is taught by an employee of the state educational institution could reduce revenue to the state educational institution. Universities cannot charge tuition for students eligible for free or reduced price lunch. However, the tuition charged by universities for other students in concurrent enrollment courses varies from no charge (at Ivy Tech Community College) up to \$89 per credit hour. The cost is below the tuition charged for a full-tuition student at a university, which ranges from \$132 to \$263 per credit hour. The potential revenue loss that state educational institutions could incur is unknown.

**Explanation of Local Expenditures:** Schools could incur additional expenses associated with the offering of the number of courses for a student to earn one year of college credit after June 30, 2016, and two years of college credit after June 30, 2018. About 30 hours of college credit courses are needed for each year of college. That would equate to at least 10 to 20 college credit courses that would have to be offered. Teachers of dual credit courses are normally required to have at least a masters degree and some additional training or supervision by the college offering the course. Depending on the size of the school, schools might have trouble offering the additional required courses. About 46% of high school graduates enter college, so it is estimated that at most 46% of high school students would be interested in taking the dual credit courses. Also, the size for high school graduating classes in the state vary from a 12<sup>th</sup> grade class of less than 20 students to one of more than 1,000 students. The bill might require schools to offer courses for a small number of students thereby increasing their cost per student significantly. The courses could also be offered virtually which might reduce the costs. The increase in expense could also be offset if some current courses that are available are not offered.

As an example, if 20% of the juniors and seniors in high school earned college credits under the bill and the additional cost per student is \$300 (cost above the current per student funding level of approximately \$5,819), the additional total cost of the program would be about \$9 M per year.

**Background:** Public schools count students taking concurrent enrollment classes in the ADM count for the school formula, and universities could receive funding from enrollment growth and tuition charged to students.

Universities cannot charge tuition for students eligible for free or reduced price lunch. The tuition charged by universities for other students for concurrent enrollment courses varies no charge (at Ivy Tech Community College) up to \$89 per credit hour. The cost is below the tuition charged for a full-tuition students at universities, which ranges from \$132 to \$263 per credit hour.

**Explanation of Local Revenues:**

**State Agencies Affected:** State educational institutions; Commission for Higher Education; Department of Education.

**Local Agencies Affected:** Local schools.

**Information Sources:** Department of Education.

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